

AMENDED IN SENATE AUGUST 20, 2010
AMENDED IN SENATE AUGUST 17, 2010
AMENDED IN SENATE AUGUST 2, 2010
AMENDED IN ASSEMBLY JANUARY 26, 2010
AMENDED IN ASSEMBLY SEPTEMBER 10, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 151

Introduced by Assembly Member Jones
(Principal coauthor: Senator Runner)

January 23, 2009

An act to amend Section 15621 of, and to add Section 14673.12 to, the Government Code, relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

AB 151, as amended, Jones. Department of General Services: authorization.

Existing law authorizes the Department of General Services to acquire and convey real property for the state, whenever that transfer of the real property is authorized or contemplated by law.

This bill would require the Director of General Services to conduct a study to determine whether it is in the best interest of the state to sell or lease specified real property in the City of Sacramento owned by the state, and to report its findings to the Legislature no later than April 1, 2011. The bill would authorize the director, after making this determination, to sell, exchange, lease, or any combination thereof, all or a portion of the property. This bill would also require the director to

use the revenues resulting from any sale, exchange, or lease of the property to pay off the total outstanding loan on the property, including any obligations associated with it, as specified.

The California Constitution requires that the proceeds from the sale of surplus state property be used to pay the principal and interest on specified bonds and, once those bonds are fully paid, be deposited into the Special Fund for Economic Uncertainties.

This bill would specify that the proceeds from the sale of the state property authorized by the bill, for purposes of this provision of the California Constitution, are the revenues resulting from the sale that are in excess of the amount necessary to satisfy the outstanding loan on the property.

Existing law authorizes the State Board of Equalization to hire or lease any property, real or personal, for its occupancy or use in the performance of its duties, upon the written approval of the Department of General Services.

This bill would, *instead*, authorize the board to hire or lease any property ~~without the written approval of the Department of General Services~~ *for its occupancy or use in the performance of its duties, if the Department of Finance determines that the related transactions, in total, are cost beneficial to the General Fund.* This bill would further authorize the board to exercise prescribed powers, including, among others, acquiring new facilities through lease of real or personal property in its own name, maintaining offices, storage, and parking facilities, and negotiating, making, and executing contracts and all other instruments necessary or convenient for the exercise of its powers and functions pursuant to specified law provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14673.12 is added to the Government
- 2 Code, to read:
- 3 14673.12. (a) The Legislature finds and declares all of the
- 4 following:
- 5 (1) Located in the City of Sacramento, the state owns
- 6 approximately 449,138 square feet of office space, with
- 7 improvements, on city blocks bounded by “N” Street on the north,
- 8 5th Street on the east, “O” Street on the south, and 4th Street on

1 the west, that is currently used for state offices, including offices
2 of the State Board of Equalization.

3 (2) For purposes of this section, the real property described in
4 paragraph (1) shall be referred to as the “Sacramento Property.”

5 (3) Allowing the State Board of Equalization to move out of
6 the Sacramento Property permanently and to consolidate its
7 operations into one location will accommodate any future growth
8 as part of its revenue-administrative mission.

9 (b) The Director of General Services shall conduct a study to
10 determine whether it is in the best interest of the state to sell the
11 Sacramento Property or to lease the property to another state tenant.
12 The director shall report to the Legislature on the most
13 cost-effective option for the state. The director shall consider the
14 timeframe to sell or lease the Sacramento Property in conjunction
15 with the timely relocation of the State Board of Equalization
16 headquarters operation. The director shall report his or her findings
17 to the Legislature no later than April 1, 2011.

18 (c) (1) Upon the Director of General Services making the
19 determination specified in subdivision (b) that the Sacramento
20 Property should be either sold or leased to another state tenant, the
21 director may sell, exchange, lease, or any combination thereof, all
22 or a portion of the Sacramento Property. Subject to the
23 requirements of Section 9 of Article 3 of the California
24 Constitution, the director shall use the revenues resulting from any
25 sale, exchange, or lease to pay off the total outstanding loan on
26 the Sacramento Property, including accrued interest and any other
27 obligations associated with the Sacramento Property.

28 (2) In the event that the director sells the Sacramento Property
29 and the sale constitutes a sale of surplus state property for purposes
30 of Section 9 of Article III of the California Constitution, the
31 “proceeds from the sale” for purposes of that section shall be the
32 revenues from the sale in excess of the amount necessary to satisfy
33 the total outstanding loan on the Sacramento Property, as required
34 by paragraph (1).

35 (d) (1) The requirement for submitting a report imposed under
36 subdivision (b) *is shall be* inoperative on April 1, 2015, pursuant
37 to Section 10231.5.

38 (2) The report required pursuant to subdivision (b) shall be
39 submitted in compliance with Section 9795.

1 SEC. 2. Section 15621 of the Government Code is amended
2 to read:

3 ~~15621. Notwithstanding—~~*If the Department of Finance*
4 *determines that the related transactions, in total, are cost beneficial*
5 *to the General Fund, then, notwithstanding any other provision of*
6 law, the board may hire or lease any property, real or personal, for
7 its occupancy or use in the performance of its duties and shall have
8 all of the following powers:

9 (a) To maintain offices, storage, and parking facilities at any
10 place or places within and outside the state, which it may designate.

11 (b) To negotiate, make, and execute contracts and all other
12 instruments necessary or convenient for the exercise of its powers
13 and functions under this part. Contracts made or executed under
14 the authority of this part shall not be subject to any applicable
15 provision of law requiring the supervision or approval of another
16 division or officer of state government.

17 (c) To acquire new facilities through lease of real or personal
18 property, or any interest therein, on either a temporary or long-term
19 basis in its own name.

20 (d) The board shall first consider the utilization of existing
21 state-owned, state-leased, or state-controlled facilities before
22 considering the leasing of additional facilities. If no available *and*
23 appropriate state facilities exist, the board may not, absent
24 legislative approval in the Budget Act, procure new facilities to
25 meet the agency's needs. If legislative approval is given in the
26 Budget Act, the agency shall, in procuring new facilities, use cost
27 efficiency as a primary criterion, among other agency-specific
28 criteria, as applicable.

29 (e) To do any and all things necessary to carry out its purposes
30 and exercise the powers expressly granted by this part.